

EXHIBIT B

From: Witbrodt, Al D.
To: Baffer, Betty; Strombotne, Tracy; Taylor, James G.
Cc: 'Vanessa Thomas(BellSouth)'; Patrick, Jimmy(BellSouth)
Subject: Purchase Order Change - Cancel Scenario
Date: Friday, August 15, 1997 11:01AM

Betty;

Please add this to the EDI issues list.

In our test scenarios with BellSouth, an EDI transaction was sent to "cancel" an existing PO at BellSouth. The expected acknowledgment was not received and will not be transmitted under the current BellSouth protocols.

The normal EDI exchange scenario for a correct Purchase Order Change(860) is a

- 1.) Functional Acknowledgment at the document level
- 2.) Purchase Order Change Acknowledgment (865) at the document level.

This protocol accomplishes two things. The first acknowledgment verifies the receipt of the document by BST. No data analysis, etc. is performed.

The second acknowledgment verifies the correctness of the data and the acceptance of the purpose(cancellation). Without this acknowledgment, LCI cannot be certain of the correctness of the cancellation or of its implementation. Our processes will be in turmoil as the status transitions can not occur with certainty in the LSOC.

I have conveyed this problem to Vanessa Thomas in a telephone conversation on August 14, 1997. She agreed to document it as a problem and submit it to the appropriate functional level at BST.

Thank you for your attention.

Al Witbrodt

DECLARATION 3

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of:

Application of BellSouth Corporation,
BellSouth Telecommunications, Inc.,
and BellSouth Long Distance, Inc.,
for Provision of In-Region, InterLATA
Services in South Carolina

CC Docket No. 97-208

**DECLARATION OF BETH RAUSCH
ON BEHALF OF LCI INTERNATIONAL TELECOM CORP.**

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of:

Application of BellSouth Corporation,
BellSouth Telecommunications, Inc.,
and BellSouth Long Distance, Inc.,
for Provision of In-Region, InterLATA
Services in South Carolina

CC Docket No. 97-208

**DECLARATION OF BETH RAUSCH
ON BEHALF OF LCI INTERNATIONAL TELECOM CORP.**

I, Beth Rausch, do hereby declare and state:

1. I am employed by LCI International Telecom Corp. ("LCI") as a Process Analyst for the ordering and provisioning of resale services. In my job I have responsibility for establishing ordering and provisioning procedures for local services offered by LCI. I am also responsible for managing the implementation of LCI's order entry systems, including the use of electronic data interchange ("EDI") interfaces, and the introduction of new products to be offered by LCI's local service division. I have five years of experience in the telecommunications industry.

2. LCI has been offering local exchange service on a resale basis in BellSouth's region since April of 1997. LCI started its resale efforts first in Georgia, followed by Florida, Tennessee, North Carolina and Kentucky. Currently, LCI resells local service to small business customers. LCI plans to begin offering service to residential customers in 1998, and also has plans to expand its local service business to other states in BellSouth's region, including South Carolina.

3. In late August of 1997, LCI began using BellSouth's EDI interface for resale ordering and provisioning. LCI's commercial use of this interface followed a testing and certification process that began in June of 1997. I was involved in that testing and certification process, and have been responsible for managing LCI's use of the EDI interface since LCI began submitting live customer orders across that interface in August.

4. LCI has experienced a number of problems in its access to BellSouth's operations support system ("OSS") in the short time that LCI has been using BellSouth's EDI interface to place resale orders. These problems have included:

- Excessive delays in the receipt of firm order confirmations from BellSouth;
- Excessive delays in the provisioning of LCI's orders;
- Manual processing of orders that should flow-through electronically to BellSouth's OSS;
- Orders that have been "lost" in BellSouth's system; and
- Substantial delays in obtaining resolution of problems due apparently to the lack of sufficient EDI training for BellSouth personnel.

Each of these problems is discussed in more detail below.

5. In an EDI environment, the purchase order form is known as an "850." After LCI submits an 850 to BellSouth, BellSouth's EDI application should respond to that order first with an order acknowledgment (a "997"), and second, assuming the order is not rejected, with a firm order confirmation (an "855"). The firm order confirmation is particularly important because it indicates that BellSouth's OSS has accepted the order, and it provides a due date for when that order will be provisioned. LCI should then receive a completion notification ("865"), notifying LCI that the order was indeed completed on the given due date.

6. In a telephone conversation on September 10, 1997, BellSouth representatives committed to LCI that BellSouth's EDI would provide firm order confirmations within 24 hours after LCI had submitted its 850 purchase order. LCI prepared minutes of that telephone conversation and distributed them to BellSouth. A copy of those minutes is attached hereto as Exhibit A.

7. To date, BellSouth has met the 24-hour interval for firm order confirmations on only 10% of LCI's orders. On most of the orders, BellSouth's EDI has not responded with firm order confirmations until 4 or 5 days after the order was submitted, with some taking as long as 22 days. Indeed, the average interval to date between submission of an order and receipt from BellSouth of a firm order confirmation is 7 days.

8. This kind of delay is unacceptable for what is supposed to be electronic access to BellSouth's OSS. It has also meant that LCI's orders are further delayed in provisioning, since the orders are often times not completed until several days after the firm order confirmations have been received. These are not complex orders that are being submitted by LCI; most are simple conversion orders for POTS.

9. The delays in firm order confirmations and order completions may well be attributable to the fact that most of the electronic orders LCI is submitting are falling out for manual processing at BellSouth's end, rather than flowing through electronically into BellSouth's OSS. BellSouth has informed LCI that when LCI orders need "clarification," they get "dropped out" of the system and are handled manually by a BellSouth representative. There also appears to be disagreement among BellSouth representatives as to which orders require manual processing. Some representatives have told LCI that orders with six lines or more must be handled manually, while others maintain that any order with more than one line requires manual processing. LCI has requested written clarification of the

circumstances under which orders fall out for manual processing; BellSouth has yet to respond.

10. LCI has also had "850" purchase orders that have been effectively lost in the system. There have been a few orders for which LCI received order acknowledgments, but no firm order confirmations. We then had to have numerous telephone calls to BellSouth in an attempt to locate the orders and determine what the problem was. BellSouth initially denied having received the orders even though order acknowledgments had been sent. Only recently (and after a 3 week delay), have these orders been located by BellSouth.

11. It has been my experience to date that the BellSouth representatives are not fully and adequately trained on the EDI interface. In order to get a problem resolved, we often get passed off to numerous BellSouth representatives, none of whom profess any substantial knowledge of the EDI interface. Moreover, LCI has not had a single point of contact at BellSouth. The lack of adequately trained personnel to resolve EDI issues and problems has caused LCI to devote many hours to problem resolution, and has made the use of BellSouth's EDI interface an extremely inefficient and time consuming process.

12. Given all of the problems LCI has experienced to date with the EDI interface, there have been periods of time in which we have abandoned the use of the interface and returned to manual processes to place orders. We were finding that it was less burdensome and time consuming to hand write orders and submit them via facsimile machine than it was to submit them via EDI, and then deal with all the problems that occurred thereafter.

13. Based on our experiences to date, I do not believe BellSouth's EDI interface for resale ordering and provisioning is operationally ready and capable of handling a reasonable commercial volume of orders. With just the small volume of orders that LCI has submitted to date, numerous problems and delays have

occurred. These problems and delays have prevented LCI from obtaining access to BellSouth's OSS that is equal to that which BellSouth's own retail operations receive. The problems and delays have also impacted LCI's ability to provide service to its customers that is equal to that which is provided by BellSouth to its own customers.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge and belief. Executed this 20th day of October, 1997 at Dublin, Ohio.

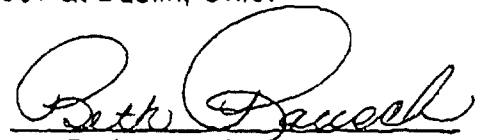

Beth Rausch

EXHIBIT A



September 11, 1997

To: Jimmy Patrick

Fax Number: 205-977-0037

From: Betty Baffer

Comments:

Jimmy,

My notes from the EDI meeting yesterday are attached. I'm also sending them to you via e-mail. Please distribute them to the appropriate people at BellSouth.

Thanks,
Betty

Minutes from 9-10-97 EDI Meeting

BellSouth:

Jimmy Patrick
Ken Enman
Pattie Knight
Theresa Gentry
Jerry Yarbrough
Vanessa Thomas
George Jones

LCI:

Al Witbrodt
Beth Rausch
Kristi Sutter
Betty Baffer
Odin Moody

This is a depiction of the EDI process as described on the phone:

1. LCI → (850 *Purchase Order* or 860 *Purchase Order Change* through VAN) → BS
 2. BS → (997 *functional acknowledgment*) → LCI (*due within 4 hours after LCI sends 850 or 860*)
 3. BS → (855 *FOC* or 865 *POC Acknowledgement* via EDI or *Clarification Notice* via fax) → LCI (*due within 24 hours after LCI sends 850 or 860*)
 4. BS → (865 *completion notice*) → LCI (*due within 24 hours after due date on FOC or 865 POC Acknowledgement*)
- LCI should call Jerry Yarbrough (205-988-6184) if we don't receive a functional acknowledgment with 4 hours.
 - LCI should call the BellSouth service center (1-800-773-4967) if we don't receive FOCs, POC Acknowledgement or clarification notices with 24 hours. All service center representatives have been trained to give us status on EDI orders.

- If we do not receive our completion notices in the time allotted, we should call the service center. Representatives at the service center may not have access to the information we need but they will contact their support people to obtain an answer.

Clarification Notices

- Clarification notices will be faxed to LCI within 24 hours of the document transmission containing the error.
- Jimmy Patrick will determine when BellSouth plans to institute an automated process for sending clarifications via EDI and will notify LCI. Harbinger will be kept in the loop in the event the Trading Partner documents require amendments as a result of these change.

Jeopardy Notices

- LCI will be notified by a phone call prior to the due date or on the due date if the due date cannot be met. Jeopardy Notices will be considered late if not received by the due date.
- LCI requests that written notification be issued in the event a due date cannot be met.

Manual Transactions

- Orders that have errors will drop out of the system and be handled manually. In the event that BS has made an error, the manual intervention will be transparent to LCI and the same interval commitments will be in effect. In the event that LCI has made an error, a clarification notice will be sent via fax and EDI within the above time schedule.
- LCI will still receive completion notices via EDI regardless of whether an order was processed manually or electronically.
- LCI requests to know which orders have flow-through and which orders will be processed manually.

Single Point of Contact

- Pattie Knight is our single point of contact for EDI operational process issues.

Other

- Jimmy Patrick will see to it that process documentation is prepared and sent to LCI. Jimmy will call Betty with an estimated completion date for the documentation.

DECLARATION 4

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of:

Application of BellSouth Corporation,
BellSouth Telecommunications, Inc.,
and BellSouth Long Distance, Inc.
for Provision of In-Region, InterLATA
Services in South Carolina

CC Docket No. 97-208

**DECLARATION OF KAY D. SPEERSTRA
ON BEHALF OF LCI INTERNATIONAL TELECOM CORP.**

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of:

Application of BellSouth Corporation,
BellSouth Telecommunications, Inc.,
and BellSouth Long Distance, Inc.
for Provision of In-Region, InterLATA
Services in South Carolina

CC Docket No. 97-208

**DECLARATION OF KAY D. SPEERSTRA
ON BEHALF OF LCI INTERNATIONAL TELECOM CORP.**

I, Kay D. Speerstra, do hereby declare and state:

1. I am employed by LCI International Telecom Corp. ("LCI") as Project Manager for Unbundled Network Elements ("UNEs"). I have 14 years of experience working in the telecommunications industry. Before joining LCI, I was employed for 12 years by U.S. Signal in Grand Rapids, Michigan. U.S. Signal was a regional long distance carrier that in 1995 began to provide local exchange service in the Grand Rapids area over its own facilities, in competition with Ameritech Michigan. I was part of the project team that established U.S. Signal's local service network and local exchange service business in Michigan. My principal area of responsibility was in the development of systems to measure, record and bill local service usage.

2. LCI entered the local exchange services market in late 1996 in Illinois, and over the past 11 months, has gradually expanded its operations into 13 states and the District of Columbia, including several states in BellSouth's region. LCI's business plan for local services is to enter first as a reseller of local exchange service in those markets where it currently has a substantial presence as a provider of long distance services. LCI chose to pursue resale as an entry strategy in order to more quickly gain a market presence and develop essential experience in the local services business. Resale, however, is not LCI's principal long-term competitive strategy, given the thin margins between the wholesale and resale rates and LCI's inability as a reseller to offer any differentiated products.

3. LCI's business plan therefore calls for it to transition as quickly as possible from resale to providing local exchange services and exchange access over unbundled network elements purchased from the incumbent local exchange carriers ("ILECs") at cost-based rates. Since LCI does not presently have any of its own local network facilities and does not currently have the resources to build such facilities in each of the states in which it wishes to compete, LCI's plan is to provide end-to-end local exchange services and exchange access over a combination of network facilities purchased from the ILECs. My job as UNE Project Manager is to begin implementing that portion of LCI's business plan.

4. One of my first tasks toward that goal was to prepare a test plan to present to selected ILECs pursuant to which LCI could begin to test the systems and procedures that the ILECs had in place for ordering and provisioning

unbundled network elements in combination. The test plan I prepared was submitted to BellSouth and other ILECs. A copy of that test plan and my submittal letter to BellSouth dated July 18, 1997, is attached hereto as Exhibit A.

5. The test plan was structured in two phases. The first phase would be limited to a small number of lines at a regional LCI sales office. (In the case of BellSouth, we proposed the Atlanta sales office, although in subsequent discussions with BellSouth I indicated our willingness to do it in another BellSouth state, if Georgia was not convenient to BellSouth.) Our plan was designed to test and verify BellSouth's manual and electronic procedures for ordering and provisioning a combination of unbundled network elements consisting of local loops and local switching, and transport over BellSouth's interoffice network using the existing routing instructions in the switch for the transport and termination of local calls.

6. The test also called for exchange of billing records to determine if LCI would be provided with all of the detail necessary to enable LCI to (a) bill its end-users who received service over the unbundled network elements, (b) bill BellSouth for reciprocal compensation for calls originated by BellSouth customers and terminated to an LCI customer whose service was provided over the unbundled elements, and (c) bill interexchange carriers for originating and terminating access charges for long distance calls originated by or terminated to LCI's customer. LCI also wanted to be able to test and verify the accuracy of the bills that BellSouth would submit to LCI for its purchase of UNEs.

7. The second phase of the test was to be expanded to a production-like environment using actual, but "friendly" customers (including LCI employees), who would be placing orders for a wider variety of services. LCI believed it was necessary to undertake this two-phased trial to determine whether the ILEC had in place the necessary operation support systems ("OSS"), including appropriate electronic interfaces to those systems, to enable LCI to offer local exchange service and exchange access on a full-scale commercial basis over a combination of UNEs.

8. BellSouth did not respond to LCI's test plan. I thereafter made several telephone calls to BellSouth concerning the plan, and was eventually able to arrange a conference call with various BellSouth representatives in mid August of 1997. In that conference call, the BellSouth representative claimed not to understand LCI's proposal for the test of combined UNEs, nor LCI's business plan with respect to the use of combined UNEs. Consequently, I agreed to send a follow-up letter to BellSouth further explaining these issues, which I did on September 2, 1997. A copy of that letter to BellSouth is attached hereto as Exhibit B.

9. BellSouth responded by letter dated September 10, 1997, a copy of which is attached hereto as Exhibit C. BellSouth claimed in its letter that LCI's proposed use of unbundled loops, unbundled local switching and common transport over which to provide local exchange service was considered to be a "recombination" of elements for which BellSouth would charge resale rates, rather than the cost-based rates required by the Act. BellSouth claimed in its

letter that it did offer individual UNEs "in a manner that allows CLECs to combine them," although there was no explanation given by BellSouth as to how that was being done.

10. Because I was not certain whether the letter I had received from BellSouth accurately stated BellSouth's position on UNEs, I had LCI's President of Local Services, Anne Bingaman, escalate this issue to BellSouth's Vice-President of Sales and Interconnection Service, Joe Baker. Ms. Bingaman wrote a letter to Mr. Baker dated September 24, 1997, a copy of which is attached hereto as Exhibit D.

11. In her letter, Ms. Bingaman once again outlined LCI's business plan for use of combined unbundled elements. She objected to, among other things, BellSouth's apparent refusal to provide UNEs to LCI at cost-based rates, and she renewed LCI's request to move forward as soon as possible with a test of combined UNEs as had been proposed in my test plan submitted to BellSouth nearly three months ago.

12. BellSouth responded by letter dated October 7, 1997, a copy of which is attached hereto as Exhibit E. In that letter, BellSouth argued that it was under no legal obligation to provide combined UNEs to LCI, and that LCI would have to combine any UNEs it purchased from BellSouth if LCI wanted to provide finished telephone service over those UNEs. And, BellSouth stated that if LCI combined the UNEs it purchased to provide a service that BellSouth also offers at retail, BellSouth will charge LCI resale rates. In other words, LCI will not be able to purchase UNEs at cost-based rates **unless** BellSouth determines that

LCI is using those UNEs to provide a telecommunications service that BellSouth does not already offer.

13. Given what has been received from BellSouth to date, it is apparent that BellSouth is not willing to provide combined UNEs to LCI at cost-based rates in a manner that will enable LCI to compete with BellSouth for local exchange service, nor does BellSouth have any established procedures by which it is capable of providing UNEs to LCI so that LCI itself can combine them. I have reviewed the various manuals and materials that BellSouth has provided concerning UNEs, and no where in those materials is there any description of any established systems, processes or procedures pursuant to which BellSouth is making UNEs available to competitive carriers in a manner that would allow the CLECs to combine them.

14. LCI will not be able to carry out its business plan to enter the market via combined UNEs. BellSouth's refusal to provide combined UNEs to LCI, and its restriction that LCI cannot combine the UNEs itself to offer end-to-end local exchange services without paying resale rates, are strategies that are designed to foreclose, and will foreclose, the early development of cost-based local competition in every state in BellSouth's region.